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Mr. Tiddy, Mr. Kirby, My Ministerial Colleague Jack Wright and my
Parliamentary Colleague Dean Brown, Mr. Justice Olsen, Distinguished
Guests, Lady and Gentlemen :

One of the more difficult tasks of Government is talking to people. That
may seem strange, because politicians are not generally noted for their
shyness, but it is not easy for any Government to ensure that all the
people and groups affected by Government decisions are given the
opportunity to express their opinions, sound warnings or, rarely, give
Government a pat on the back.

The problem is common to Governments of all political persuasions because
different sections of society often have hostile perceptions of the
political motives of various parties. The reaction by sections of the
trade union movement to the ACTU's discussions with the Federal Govern-
ment last weekend is a topical example.

Not quite as newsworthy, but still existent nonetheless, is the hostile
perception some people in industry have of Labor Governments in general,
which rubs off on the South Australian Labor Government.

Put simply, Labor is sometimes seen as anti-business, anti-profit and
anti-development.

The South Australian Labor Government is none of those. If it were, the
people who would suffer most would be our members and supporters, the
great majority of whom work in factories, shops and offices. The South
Australian Government is very concerned that everyone in this State has
a worthwhile, rewarding job and that the standard of living for the
whole community rises. We cannot improve the lifestyle and expectations
of the majority of people without a soundly based and healthy State economy.

The increasing complexity of economic systems has made all groups in the
community much more economically inter-dependent, and the need in society
is much greater. The State Government is working with industry in South
Australia to formulate the most effective policies for economically
viable industrial and social growth.

The Government wants new industries for South Australia, and we have gone
out and got them. In the last ten years employment in manufacturing
industry in South Australia has increased very markedly at a time when
it has declined in the two major industrialised States, New South Wales
and Victoria. In 1966, 120,000 South Australians worked in manufacturing

industry and they made up 9.5% of the national manufacturing workforce.

Nine years later, 135,800 South Australians (an increase of 12.6%) are working in manufacturing industry, and they make up 10.4% of the national workforce. In the same period Victoria's manufacturing employees increased by only 3.4% while N.S.W. manufacturing employment went down by 3.6%.

We want our companies to have more secure markets so that they are not continually worrying about the economic health of the Eastern States and how that will affect the car industry and the whitegoods companies. The Government set out and developed markets in the Malaysian region and in the Middle East which will provide an area of sales growth at a time when the Australian domestic market is about static.

We want our industries to be profitable and efficient, and the Government has gone into bat on behalf of many firms affected by Federal Government proposals. I've been to Canberra repeatedly to argue the cases of the motor vehicles industry, the electronics industry, the textile industry, the domestic appliance industry and the wine industry. The Trade and Development Division of my Department has worked with South Australian companies in preparing submissions to the Industries Assistance Commission and we will keep doing so.

The Government has continually expanded its incentives for businesses in South Australia to the point where we now have the most comprehensive range of assistance of any State.

The Government gives financial help through the State Industries Assistance Commission which can make establishment grants (including removal costs), make deferred interest or low interest loans, take up equity capital and provide cash grants to country industries for extensions, research or development. It also has the power to buy land and equipment and make them available to companies. Since it started operations in 1971-72, the SIAC has advanced more than \$3.5 million in direct loans to companies.

The Industries Development Committee of Parliament can provide bank guarantees of up to 2/3 of investment in any venture and is the authorising body for the Housing Trust's incentives.

Through the Trust the Government has buy or build factories, complete with plant, for companies and then arrange a long term purchase scheme suitable for the individual company. So far the Trust has built 56 new factories throughout the State, and bought many existing ones. The two most recent are the Dunstan Collection, Special Collections, Flinders University Library ~~Flinders plant at Royal Park~~ which the Trust has

acquired and will lease back to Leyland and the Kentish Clothes factory at Elizabeth where the Trust bought the factory for the new operator under a lease purchase agreement. The advantages of the lease purchase arrangement are clearly the elimination of a very large capital investment at the start of a venture and the ability to acquire the factory and plant over a long period.

As well, the Housing Trust is able to provide land on industrial estates and builds priority housing for employees of companies establishing in new factories, be those Trust built factories or not.

Through its public utilities, the Government subsidises the cost to country industries water supply, sewerage and electricity, and E.T.S.A. can negotiate special rates for industries outside Adelaide.

Additionally, we have a policy that new industries establishing in the growth centres of the Green Triangle, the Iron Triangle (which includes Whyalla) or Monarto will be eligible for annual grants equal to their payroll tax payments, effectively giving them a remission of that tax.

The Government is looking at ways of adding to that package to encourage exports and to generate additional employment in manufacturing industry and I hope a proposal will be put forward to Cabinet shortly.

Many of these incentives came about after discussions with industry and I want to stress the importance of continued communication between industry and government. The Trade and Development Division is part of the Premier's Department because I believe it is vital that there be a close link between industry and the Premier.

Bill Davies, our Director-General of Trade and Development, has direct access to me and brings any problems straight to my desk. He's not always the most popular man when he does so, but Bill is the man to talk to with any ideas or problems you may have. I can assure you he will put them very forcefully to me.

I'm not going to pretend that everything is bright and cheerful; it isn't. As Matt Tiddy pointed out, unemployment and inflation are not easing, and one of the major contributing factors must be the level of public uncertainty about economic policies coming from Canberra.

There are problems in State areas as well, and the matter which has caused most concern is undoubtedly workmen's compensation.

During the last session of Parliament, the Government circularised industry groups and interested parties about this problem and, as a

result, an amending Bill will come before Parliament this session. The Government is seeking to ensure that a person on workmen's compensation will not receive more while he is away from work than he would if back on the job. We are very conscious of the cost to employers of workmen's compensation, which is not completely related to the level of benefits provided in South Australia, because escalating premiums are a common factor of workmen's compensation throughout Australia. The Government is trying to negotiate a better workers compensation arrangement for employers from insurance companies.

There have also been many submissions to the Government on land tax, and we are already studying this problem and would be interested to hear further opinions.

An area of State concern for which the South Australian Government is not responsible is the question of regional representation in the drawing up of manufacturing industry policy. The Jackson Committee presented a report which stressed the need for indicative planning and the necessity of formal structures to ensure that the widest possible consultation took place during that planning.

The State Government worked very closely with a large number of industry groups in the drafting of our original submission to the committee and we have recently forwarded to Senator Cotton our comments for the White Paper on manufacturing industry which will come out of the Jackson Report.

There is sometimes a tendency to be half-hearted about co-operation in economic planning. The situation Australian industry faces today precludes that attitude: the question is not whether we need co-operative planning for our economic future but rather what is the most effective method of ensuring that all sections of the society can take part in that planning.

The Jackson Committee made some specific recommendations regarding the machinery for consultation between industry, employee groups and Government. In the light of our own successful experience in South Australia with bodies such as the Industrial Development Advisory Council, the South Australian Government has suggested a different structure for this consultation.

The Jackson Committee suggested a large number of bodies, including a Commonwealth-State Ministerial Council, an Australian Manufacturing Council, National Industry Councils for each natural sector, State Industry Councils for each natural sector and State Manufacturing Councils.

The Industry Councils, at both a State and National level, were to be made up of representatives from firms, trade unions, consumers and governments and had the broad aims of studying policy implications for their sector, raising industry efficiency and reducing conflict when problems arose.

While actively supporting those aims, the South Australian Government has suggested the organisation of the industry councils be changed to give wider representation from industry, better regional representation and a more comprehensive coverage. We are concerned that the original proposals would involve a large and sectional system with small manufacturing representation and a muted voice for industry in the smaller States such as ours.

We have suggested seven industry process councils in each State: Food, Apparel, Machinery, Chemicals, Metals, Electrical and Wood. Each Council would have 12 members - eight from the industry, two from trade unions and two representing consumer and special interest groups. Each Process Council would nominate a representative to a State Industry Advisory Council which would have a total of 13 industry members, seven State Government Department members, two union members, two Parliamentarians and four members from other groups such as consumers, retail traders, commerce or academic institutions.

On a National level we have suggested Industry Councils for the same seven groupings, comprising six reps from the matching State councils, two other industry reps, two union members, two consumer members and three members from other groups such as importers or Parliamentarians.

These National Industry Councils would then work through an Australian Manufacturing Council taking members from the State Councils, the National Industry panels, and the State and Federal Governments.

My Government believes that the structures we have suggested are simpler and more likely to be effective than a larger number of industry groupings which do not give an effective role to manufacturers or States.

Ensuring proper industry and regional representation in economic planning is not going to be easy, and I know your Association is concerned with the same problem. If industry and Government in South Australia can work together on this, our collective efforts could yield impressive results for the State.

My Government's motivation is solely the development of South Australia to the benefit of all South Australians. That means a healthy and expanding economy, and the increasing involvement of everyone in the

community in the decision making processes which affect their daily lives. Our industrial base must be diversified and made as secure as possible through wider markets and imaginative promotion of our products. From that cultural, social and economic life of South Australia will be strengthened.

We have the people, the companies and the common purpose to put South Australia still further ahead.